

Full
Leased Wire
Dispatches

The Daily Capital Journal

THIRTY-EIGHTH YEAR

AMERICAN DOLLAR HAS MORE POWER ABROAD THAN AMERICAN CANNON

German Financiers In United States Send Message of Conciliation to Fatherland With Special Emissary--This Country Destined To Become the Financial Center of World At Close of War and Europe Must Bank Here

By John Edwin Nevin.

Washington, June 5.—President Wilson's second note to Germany, informing the imperial government that the United States insists upon recognition of its international rights will probably be dispatched to Berlin today.

The president today approved the final draft of his rejoinder before leaving the White House for his usual automobile ride. The note was immediately sent to the state department by a confidential messenger. There Secretary Bryan approved and signed it, and turned the communication over to department officials to be sealed.

The text of the president's rejoinder will not be made public until it is certain the note is in the hands of Foreign Minister Von Jargow, it was stated.

The White House desires to avoid any repetition of the incident connected with the first note which was delayed in transmission and given out in Washington before having reached Berlin.

Cabinet officials today highly praised the president's new communication to Berlin. It was declared to be a statesman-like document, certain to make plain the position of the United States. Not only is Germany firmly told that the United States insists upon the right of Americans to travel at sea, secure in the belief that this government will protect them, but responsible for a break if one comes, is at Germany's door.

May Wait For Emissary.

With his rejoinder finally disposed of the president motored to the golf links early this afternoon, his mind at rest, and hopeful that the kaiser's government will accept the American viewpoint. It is the president's hope that the next reply from Germany will not be more responsive than the first, but will make certain that in the future such misunderstanding will be impossible.

In German circles it was stated to-day that if the kaiser defers his reply until Meyer Gerhard, personal emissary of Ambassador Von Bernstorff arrives in Berlin, the response will undoubtedly be of a conciliatory nature. While in Washington Gerhard tried earnestly for a better understanding and is expected to urge upon the German authorities the advisability of making every possible concession.

Friends with German connections are approaching upon Berlin bankers that to antagonize the United States at the present time would have a serious effect upon the Germany after the war ends. They have pointed out that this country is certain to be the world's financial center for many years after peace is restored. And Germany must obtain funds from the outside to rehabilitate her foreign trade and commerce, no matter what the outcome of the war may be.

Orders In Council Next.

The administration is now compiling arguments against the British order in council. There will be no delay when the time for action arrives because of this interference with American commerce. The practice of British commanders in ordering captains of American ships into their cabins, and taking charge of the vessels upon the excuse of danger from mine fields is becoming irritating. This practice has resulted in the American captains being held practically as prisoners after the ship触礁.

The most important diplomatic paper since the beginning of the European war should reach the United States about June 20. It will be Germany's reply to President Wilson's latest note. Its importance is derived from the fact that it will be the first definite step, not merely toward preserving peace between the United States and Germany, but toward ending the war.

The opinion expressed in German diplomatic circles is shared by other diplomats. The lapse between the dispatching of the president's rejoinder and Germany's reply is due to the fact that Meyer Gerhard, embassy of Ambassador Von Bernstorff does not arrive in Copenhagen until June 15 and Berlin 12 hours later. Five days is little enough time in which he may be expected to accomplish his mission, it is explained.

When Germany's reply arrives, it is believed it will mark the point, reached in all great wars, where diplomacy begins to take hold and force begins to go.

Diplomacy So Far Has Failed

Up to the present diplomacy has not accomplished a single damn thing,"

The quoted statement is that of a

RUSSIA REFUSES TO MAKE CONCESSIONS OF TERRITORY TO RUMANIA

Little Mountain Kingdom May Not Enter War On Side of Allies Is Report

Berlin, via The Hague, June 5.—The allies have failed in their effort to induce Rumania to enter the war.

Although pressure was brought to bear upon Russia by England, France and finally Italy, the czar flatly refused to cede to Rumania territory demanded in return for her participation on the side of the allies, according to private advices here today. Rumania is reported to have ended all negotiations. Russia Bessarabia was demanded by the Bucharest government, but all efforts of the allies to arrange terms for the transfer of any territory are declared to have failed.

Commenting upon Rumania's refusal to end the allies, the *Lokal Anzeiger* today said:

"The defeat of the attempt to induce Rumania to enter the war is a greater Austro-German victory than is Przemysl."

PEACE CONFERENCE OF MEXICAN LEADERS IS DISTANT PROSPECT

President Will Set Date For End of War If No Agreement Is Reached

Washington, June 5.—Efforts of administration officials to get the factional leaders of Mexico to confer in a renewal of the vigorous bombardment of the British trenches. The center of this attack is from Hooge and the heavy artillery fire being poured against the English line is accepted as being preparatory to a general assault in an attempt to break the British front.

Not only London, but Paris, is expecting new aeroplane and Zeppelin attacks in the aggressive campaign the latter has launched. It is recognized that more than an attempt to influence the Poles is back of the offensive under way striking from the land, sea and air. It is believed that Germany has seized upon the present season as the most advantageous for dealing a succession of lightning strokes.

British reports declare conditions in Germany are rapidly becoming worse, drastic measures have been taken to conserve food supplies until the next crop. The British blockade has apparently been successful, according to reports here, and Germany is thrown entirely upon her own resources.

With the German note disposed of it was expected today that the president will give most of his attention to the Mexican situation and will consider the time limit to be set in which the revolutionists must cease fighting and endeavor to form a strong provisional government. It was generally expected that General Carranza will accept the principles of the president's statement calling for a restoration of peace. He will take the attitude, however, that he has not departed from the original purpose of the revolution, that he is the choice of the majority of Mexicans for the presidency and that the United States should recognize him.

Carranza's demands for recognition is expected to receive little consideration from President Wilson. Instead, it is believed he will suggest there is no objection to Carranza becoming a candidate for the presidency in a constitutional election to be held after the revolutionary armies have ceased fighting.

Sections broad riots are occurring in many Mexican cities, according to messages received here. The Red Cross is redoubling its efforts to reach the starving thousands with supplies. In the absence of help from any of the factions of Mexico, delay will be unavoidable, however.

The policy of Greece is also undetermined. The Greek elections will be held on June 15, when the future as of King Constantine's government will be decided.

13 Vessels Sunk in 48 Hours.

With crews from two steamers and three trawlers, sunk by submarines, landed at various points during the night, reports had been received today of 13 vessels sent to the bottom in the German submarine war within the last 48 hours.

The largest vessel to be lost was the British steamer *Inkum*, from New York to London. The *Inkum* was sunk off Lizard Head. No warning was given.

After the explosion of the first torpedo the crew started to return to the *Inkum* when it appeared the ship would not sink immediately, but the appearance of a submarine's periscope, followed by a second explosion, caused the crew to flee away. The *Inkum* went down when the second torpedo struck. It was a vessel of 3074 tons.

The crew of the French steamer *Penfield* was landed at Brest at midnight. The *Penfield* was torpedoed and sunk in the channel.

Three trawlers were sunk during Friday.

The crews of the vessels were landed at Lowestoft last night after being picked up by other trawlers who hastened into port to escape the undersea raider.

Other ships sunk during the last 48 hours were the Danish steamers *Savador* and *Cyrus*, Swedish steamer *Lappo*, Norwegian steamer *Cubano*, Montreal liner *Jona*, Aberdeen steamer *Chrysophorus*, and two Welsh trawlers.

ILL BET THERE IS A CROWD UP AT THE BALL PARK

Oregon: Fair to night and Sunday, continued warm, northerly winds.

The Weather

State Engineer Lewis, as the head of the state highway department, has been appointed to the consolidated contract company, whose contract for the construction of the Pacific highway in Columbia county court for non-performance of contract, is willing to make a settlement of its differences with the county upon the basis of figure High way. Engineer Bowley's estimates and arbitration with Engineer Lewis as the arbitrator in chief.

Controversy is in a fair way of amicable adjustment in the near future. The company agrees it is understood, to accept Major Bowley's estimate of the amount due them about \$35,000 as a minimum basis of settlement and whatever differences may exist between this figure and the sum the company's claim are to be arbitrated with Engineer Lewis as the arbitrator in chief.

Contracting Company Ready To Settle With County

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KAISER STRIKING AT ENEMIES WITH ENTIRE RESOURCES

Land, Air and Submarine Forces Determined to Turn Tide of War

LONDON AND PARIS ARE EXPECTING AIR RAIDS

Desperate Attempt To Overwhelm Enemies With Last Desperate Rush

London, June 5.—The kaiser's great war machine is now striking at his enemies with all resources at its command. Upon both the eastern and western fronts on the sea and from the air, the Germans are delivering heavy blows.

A determined offensive has been launched against the British line at Ypres. Dispatches received today told of a renewal of the vigorous bombardment of the British trenches. The center of this attack is from Hooge and the heavy artillery fire being poured against the English line is accepted as being preparatory to a general assault in an attempt to break the British front.

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There can be no doubt that the re-capture of Przemysl by the Austro-Germans has had a great effect on the Balkan countries. Both Rumania and Bulgaria are now hesitating to enter the war.

British dispatches declare Rumanian statements are seriously debating whether it would be profitable to plunge into the conflict immediately on the side of the allies.

The policy of Greece is also undetermined. The Greek elections will be held on June 15, when the future as of King Constantine's government will be decided.

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